



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO BOX 806
TRENTON NJ 08625-0806

JAMES E.
MCGREEVEY
GOVERNOR

SUSAN BASS LEVIN
COMMISSIONER

DIVISION OF HOUSING AND COMMUNITY RESOURCES
PRE-DEVELOPMENT PARTNERSHIP LOAN PROGRAM
FACT SHEET

The PRE-DEVELOPMENT LOAN PARTNERSHIP is made up of the New Jersey Department of Community Affairs and the following Lending Institutions: First Union Bank; The J.P. Morgan Chase Bank; Fleet Bank; PNC Bank; Washington Mutual Bank; the New Jersey Community Loan Fund, Sovereign Bank and The Reinvestment Fund . The purpose of this Partnership is to increase the supply of pre-development loan funds available to nonprofit housing developers by leveraging existing State resources with private funds.

Who is Eligible to Apply:

Non-profit corporations whose purpose is to develop housing affordable to low- and moderate income households; redevelopment agencies; housing authorities.

Applicants must demonstrate site control or the ability to obtain site control.

What Are Eligible Expenses:

Pre-development expenses for housing developments which will be affordable to low and moderate income households. Expenses should be directly related to bringing a project to the point of construction.

Eligible expenses include, but are not limited to, architectural, engineering and legal services; environmental evaluations; project feasibility determination; marketing studies; costs of processing and closing the project financing; appraisal; title searches, filing and other fees and option deposits, acquisition costs; costs of contracting with a consultant related to the planning, processing or preparation of a project proposal.

What is the Maximum Loan Amount:

The maximum loan amount is \$50,000. Decisions to exceed this amount will be made on a case by case basis.



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PLEASE NOTE: EFFECTIVE JANUARY 1, 2001 APPLICATIONS FOR PROJECTS REQUIRING LOW INCOME HOUSING TAX CREDITS WILL NO LONGER BE ACCEPTED UNLESS THE APPLICANT HAS RECEIVED AN ALLOCATION OF CREDITS FROM THE NJHMFA.

Pre-development Partnership Loan Program

Fact Sheet

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What Are the Loan Terms:

Loans will be at zero percent interest.

Security will be in the form of a promissory note. If the organization has title, loans will be secured by a mortgage lien on the subject property at the discretion of the participating lenders.

Loans will be repaid in full at construction closing.

How are Applications Evaluated:

In selecting applicants, the Partnership will evaluate:

The ability of the non-profit corporation to finance, build and manage affordable housing based on its track record.

The degree to which the project supports a comprehensive, strategic neighborhood revitalization plan.

The quality and experience of the development team.

The reasonableness of anticipated development costs and prices or rents of the finished units.

The ability of the applicant to attain project financing, based on a letter of interest from funding sources and lenders.



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The quality of the units and whether they meet the need of the housing market.

The benefit of the project to the neighborhood, the community and to low-and moderate income households.

Support of the community as evidenced by a letter of support from the Mayor and/or the governing body.

How to Get Further Information:

For information or to obtain an application, call the Division of Housing and Community Resources at 609-292-3167 or 609-633-6258.

**DIVISION OF HOUSING AND COMMUNITY RESOURCES
PRE-DEVELOPMENT LOAN PARTNERSHIP APPLICATION &
HOME CHDO SEED MONEY LOAN PROGRAM APPLICATION**

This Partnership is funded by the Department of Community Affairs, First Union Bank, The JP Morgan Chase Bank, Sovereign Bank, Fleet Bank, PNC Bank, Washington Mutual Bank, the New Jersey Community Loan Fund, and The Reinvestment Fund.

1. DATE OF APPLICATION _____ AMOUNT REQUESTED _____

2. ORGANIZATION

Name _____

Address _____

Contact _____

Telephone _____

Federal Tax Identification # _____



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Charities Registration # _____
President _____
Chief Financial Officer _____
Ending Date of Fiscal Year _____

3. Do you have a banking relationship with any of the following institutions?
JP MORGAN BANK _____ FIRST UNION BANK _____
FLEET BANK _____ PNCBANK _____ SOVEREIGN BANK _____
WASHINGTON MUTUAL BANK _____
THE REINVESTMENT FUND _____
NEW JERSEY COMMUNITY LOAN FUND _____

Name of Project _____
Address _____
Municipality _____ County _____

New Construction _____ Substantial Rehabilitation _____
Acquisition/Rehab _____ Other _____

Rental: Family _____ Senior _____ Special Needs _____
For-Sale _____ Other _____

Number of Units: Low _____ Moderate _____ Market _____ Total _____

4. DOES THE ORGANIZATION HAVE SITE CONTROL?

Yes _____ No _____ Type _____

5. PRE-DEVELOPMENT BUDGET

Eligible Line Items	Total=	DCA Request +	Other Funds	Source of Other Funds
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Architectural

Engineering



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Environmental Studies

Feasibility Study

Legal

Closing Costs

Legal

Closing Costs

Financing Fees

Appraisal

Planning Consultant

Acquisition

Market Study

Other:

TOTAL

6. DEVELOPMENT TEAM:

Development Coordinator

Name _____

Address _____

Architect

Name _____

Address _____



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Telephone _____ Telephone _____

Attorney Name _____	General Contractor Name _____
Address _____	Address _____
Telephone _____	Telephone _____

Engineer Name _____	Environmental Engineer Name _____
Address _____	Address _____
Telephone _____	Telephone _____

Consultant Name _____	Other Name _____
Address _____	Address _____
Telephone _____	Telephone _____

8. DEVELOPMENT BUDGET AND OPERATING PROFORMANCE

USES:

	TOTAL	PER UNIT
ACQUISITION	_____	_____
CONSTRUCTION	_____	_____
SOFT COSTS	_____	_____
DEVELOPER FEE	_____	_____
TOTAL	_____	_____

SOURCES:

(Complete either the For-sale or the Rental only)

	AMOUNT	SOURCE
<u>FOR SALE PROJECT</u>		
UNIT SALES	_____	_____
CAPITAL SUBSIDIES	_____	_____
	_____	_____



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TOTAL

_____	_____
_____	_____

Amount

Source

RENTAL PROJECT

PERMANENT LOAN
LIHTC SYNDICATION
CAPITAL SUBSIDIES

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

TOTAL

_____	_____
_____	_____

ANNUAL OPERATING PROFORMANCE (If Rental Project Only)

TOTAL

PER UNIT

INCOME
OPERATING EXPENSES
DEBT SERVICE
NET OPERATING INCOME

_____	_____
_____	_____
_____	_____
_____	_____

The following information is required to be submitted in order for your application to be complete. Please label the exhibits as follows:

1. ____ Narrative project description including the problems being addressed and the population being served including how the project complements/supports a strategic neighborhood revitalization plan for redevelopment of the area (2-3 pages). Also include a brief history of the organization.
2. ____ Development timetable.
3. ____ Status of current zoning .



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4. ____ Evidence of site control or ability to obtain site control.
5. ____ Environmental Status Report.
6. ____ List of all public approvals required to begin construction.
7. ____ Map of site and directions to site.
8. ____ Resumes of all staff and consultants/professionals working on the project along with scope of services and fee schedules from all consultants/professionals.
9. ____ Appraisal (if available)
10. ____ Renderings and/or conceptual plans (if available)
11. ____ Copies of all financing commitment letters including LIHTC Award from the NJHMFA.
12. ____ Market study (if available)
13. ____ Certificate of Incorporation.
14. ____ Sealed Resolution from your Board (sample attached).
15. ____ IRS designation as a 501 (C)3 Corporation.
16. ____ Audit for most recent fiscal year and current year operating budget.
17. ____ Letter of support from the Mayor and/or the Governing Body.
18. ____ Certification letter signed by Board President that there are no outstanding liens or judgements or pending lawsuits against the agency.
19. ____ When will the proposed loan be repaid, and what source will be used to payoff the loan.



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PLEASE SUBMIT AN **ORIGINAL AND ONE (1) COPY** OF THE COMPLETED APPLICATION (ITEMS 1 THROUGH 17) AND AN ADDITIONAL TWO (2) COPIES OF ITEMS 1 THROUGH 12 ONLY TO:

Ron Intile, Program Manager
New Jersey Department of Community Affairs
Division of Housing and Community Resources
Office of Housing Advocacy
101 South Broad Street PO Box 806 5th Floor
Trenton, New Jersey 08625-0806

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